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June 6, 2005

**VIA HAND DELIVERY**

Ms. Victoria Rutson  
Chief  
Section of Environmental Analysis  
Surface Transportation Board  
1925 K Street, N.W.  
Washington, D.C. 20423

**Re: STB Finance Docket No. 34284, Southwest Gulf Railroad Company –  
Construction and Operation Exemption – Medina County, TX**

Dear Ms. Rutson:

This letter supplements the April 4, 2005 response of Southwest Gulf Railroad (“SGR”) to your February 15, 2005 letter, in which you inquired as to the feasibility of SGR building its proposed line east or west of the Quihi area. As set forth in SGR’s April 4 response, a westerly “bypass” around Quihi would likely give rise to several issues concerning impacts to historic resources because such an alignment would traverse the New Fountain area. Further, such a bypass would raise stream crossing issues.

SGR’s April 4 letter, as well as a May 4, 2004 letter, also addressed the problems with the so-called Medina Dam route, which would be located to the east of the Quihi area, following for a portion of its distance the alignment (no longer physically obvious from any ground features) used by an early twentieth century railroad that was built in order to facilitate the construction of the Medina Dam. These problems include grade and curvature issues. Any such Medina Dam route would require a substantial volume of cut and fill relative to the preferred route SGR has proposed and the alternative routes under review.

SGR has now reviewed the possibility of an eastern “bypass” route that would traverse an area that lies between Alignment 3 (the most easterly of the SGR-proposed alignments considered in the DEIS) and portions of the Medina Dam route, connecting at its south end to the UP line at the same point as SGR’s preferred route and terminating at the north end at the planned Vulcan quarry. This

route would be approximately 1.6 miles east of Alternative 3 at the point that Alternative 3 is nearest to the Quihi area. The location of the route would be guided by several factors, notably the need to intersect with the UP line at the same point as the preferred SGR alignment (in order to attain the benefits of that point of intersection, which are outlined below), the need to serve the quarry, the need to exit the escarpment on which the route would necessarily be built in part at a point where required grades of no greater than 1% could be attained with a minimum of cut and fill (as described further below) and the need to cross FM 2676 at a point where highway sight distance can be maximized.

It bears note that the UP line is oriented toward the southeast at the proposed connection point between the preferred SGR route and the UP line. As one proceeds east, the UP line continues to angle toward the southeast, crosses to the south side of U.S. 90 and, at a point shortly after crossing U.S. 90, angles more sharply to the south/southeast. As a result, any connection point with the UP line further east of that contemplated by SGR's preferred alignment (which is the same connection point assumed here for purposes of analysis of any eastern bypass), would require that the SGR line be longer in order to meet the UP line, which continues to angle away from the quarry area. Thus, were the connection point for an eastern route one mile due east of the preferred route's connection point, the SGR line would have to be at least one mile longer (and probably closer to 1.25 miles longer) in order to meet the UP line.

A more easterly connection point would also require an expensive and otherwise unnecessary grade-separated crossing of U.S. Highway 90, which is south of the UP line at the proposed connection point, but as noted is on north side of the UP line as one moves just east of that connection point. Moreover, any connection point east of that assessed here would not resolve the escarpment issue discussed below or reduce the cut/fill volumes described here.

SGR has determined that no such eastern bypass route is feasible, and, therefore, believes that further environmental analysis of any such route is not warranted. The key reason is the amount of cut/fill that would be required for the construction of such a route. That impact and certain other impacts of such a route are described next.

1. **Cut and Fill Impacts.** The southern end of three of the SGR proposed alignments addressed in the DEIS (the preferred alignment and alternatives 2 and 3) are located on an escarpment. This is the same escarpment, described in SGR's April 4, 2005 and May 4, 2004 letters, that the Medina Dam route would traverse. The preferred alignment and alignments 2 and 3 each exit the escarpment at points which are a relatively short distance north of each alignment's southern terminus point. At each of these points of exit, the escarpment is largely eroded. Thus, none of these alignments gives rise to significant grade issues and none requires extensive cut/fill. However, the escarpment becomes higher and steeper as one traverses to the north. Thus, alignment 3 – the farthest east of the alignments under review in the DEIS – would require considerably more fill than the other alternatives since it exits the escarpment at a more northerly point, where the escarpment is steeper.

Were the alignment located further east of Alignment 3 and therefore further distant from the Quihi area, any such routing would require that the line remain on the escarpment for a longer length as

one travels from the southern terminus point to the north. Since, as noted, the escarpment becomes higher and steeper as one travels north, determining the point of exit from the escarpment for any easterly bypass requires careful assessment in order to locate a point as optimal as possible in terms of grade and cut/fill considerations.

In assessing an eastern routing other than the Medina Dam route, SGR located what it believes is an optimal (relative to other choices) point of exit from the escarpment. This is a point approximately equidistant between the points where Alignment 3 and the Medina Dam route would exit the escarpment. SGR then determined the amount of cut/fill that would be needed were the rail route to follow this approximate alignment. That cut/fill analysis was predicated on maintaining a grade of no more than 1%, consistent with the operational criteria used by SGR in the planning process and consistent with the safe operation of large unit trains. The methodology used in this analysis was the same as that described at page 6 of SGR's April 5 letter.

The results of that cut/fill analysis are shown in the attached Exhibit. As you will see, the amount of cut needed to use this eastern bypass route is quite significant, approximately 336,000 cubic yards, compared to about 167,000 cubic yards for the preferred alignment and lesser amounts for the other alignments that SGR has proposed. Further, approximately 445,000 cubic yards of fill would be needed, over four times the amount needed for the preferred alignment. Based on this degree of cut and fill, SGR has determined that the line is not feasible relative to the other alternatives assessed in the DEIS.

As noted, SGR assessed what it believes would be an optimal eastern bypass route in terms of cut/fill considerations. Thus, any other such route would necessarily require even more cut/fill volumes. The attached exhibit also shows the volume of cut/fill for the Medina Dam alternative, which too is an eastern bypass around Quihi. As can be seen from that Exhibit, the cut/fill volume for that route is greater than the eastern bypass discussed here.

2. **Length/Cost of Route.** SGR estimates that any more eastern "bypass" alignment, including any alignment that exited the escarpment at the point described above, would be about 1.6 miles longer than the preferred or alternative alignments considered in the DEIS, assuming that the eastern alignment connects to the UP line at the same point as the preferred route. This is because any such alignment would necessarily have greater circuitry as compared to the relatively straight alignments between the UP line and the quarry previously proposed by SGR and considered in the DEIS. Impacts to the area would accordingly be greater given that the length of the line would be greater. Construction and operating costs would likewise be significantly greater. Construction costs would be at least \$1.6 to \$2 million higher, and this estimate is conservative given the rapidly increasing cost of rail.

The length of the line also would be longer, and the cost of construction commensurately higher, relative to the preferred alignment and other alternatives proposed by SGR, were an eastern bypass to connect to the UP line at a point further east than the optimal connection point described above. As discussed above, a connection further east of that at which the preferred line would connect would be longer due to the fact that the UP line angles to the south/southeast as one proceeds east.

3. **Impacts on Property/Land Use/Highway Crossing Safety.** Given its greater length, SGR estimates that any eastern alignment would traverse approximately 50% more parcels of land than the preferred route. Accordingly, any such routing likely would impact more landowners, contrary to one of SGR's design goals, including (it appears likely) landowners who have expressed opposition to any rail line in the area.

An eastern bypass alignment also would be much more likely for virtually its entire length to cut through many of these properties on a diagonal routing across the properties; a routing that would be more likely to interfere with the agricultural use of the properties. That is because the easterly bypass alignment discussed here would of necessity traverse diagonally from the southern terminus point in a northeasterly direction in order to angle away from the Quihi area, which is generally north of the southern terminus. The line might follow parallel to the Medina Dam route for some length but would, at its approximate mid-point, angle diagonally toward the northwest to the point of exit from the escarpment in order to reach the quarry, forming a rough semicircle. The line would thus be routed in a diagonal manner as opposed to a straighter north-south routing preferred by SGR. Also factoring in to the diagonal nature of the easterly line is the fact that the line would need to cross FM 2676 at a point where there is adequate sight distance for vehicles. The need to cross FM 2676 at a straightaway point in that road limits the number of potential crossing points.

The diagonal nature of the line would very likely cause more disruption to land use in the area, bisecting agricultural fields and rangeland in a manner that would increase adverse impacts and making it more difficult, if not impossible, to follow the generally north-south oriented property boundaries in the area. By contrast, the straighter preferred alignment was carefully designed not only to minimize the number of parcels to be crossed, but also to cross those parcels as close as possible to, and parallel with, property boundaries. Thus, impacts of the proposed route on property usage would be reduced relative to the eastern bypass setting, in which the line would bisect or cut through properties diagonally.

Also, the preferred alignment (and alternatives 1,2, and 3) each cross FM 2676 at a point that is further west than the easterly bypass crossing discussed here. The preferred route's crossing point offers greater sight distance for vehicles given that the point of crossing by the preferred route is approximately at the middle point of a longer straightaway (about 1.5 miles long) on FM 2676 than the straightaway (about 1 mile long) at which the eastern route would cross. Thus, cars crossing the line at the point contemplated by the preferred alignment would have about one quarter mile greater visibility of the point of crossing coming from either direction along FM 2676.

4. **Impacts on Residences.** Based on aerial view assessments, it appears that any eastern bypass routing would impact approximately the same number of residences as the DEIS reports (at page 4-62) would be found within about one half mile and one mile from Alternative 3. Thus, it does not appear that the eastern bypass route addressed here would have any noise impact advantages relative to the other routes assessed in the DEIS.

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In sum, the eastern routing discussed here is neither feasible nor preferable to the routes considered in the DEIS for the reasons described above. SGR would be pleased to respond to any questions that SEA might have concerning the above.

Respectfully,

A handwritten signature in black ink, appearing to read "David H. Coburn", with a long horizontal flourish extending to the right.

David H. Coburn  
Attorney for Southwest Gulf Railroad Company

cc: Ms. Rini Ghosh  
Ms. Jaya Zyman-Ponebshek

# EXHIBIT

## SGR RAIL PROJECT

### Cut and Fill Data for Alternative Routes

(assumes stopping fill at flood plain and using trestles to cross streams)

<u>Route</u>	<u>Maximum Elevation of Route</u>	<u>Minimum Elevation of Route</u>	<u>Average of Elevation of Route</u>	<u>Cut in Cu Yds</u>	<u>Fill in Cu Yds</u>
Proposed Alignment	991.83	859.38	913.99	167,683	101,973
Alternative Alignment #1	931.51	819.93	868.89	22,456	187,430
Alternative Alignment #2	934.70	857.51	895.08	69,562	123,775
Alternative Alignment #3	979.82	865.86	918.71	109,882	425,865
"Eastern Bypass"	1,029.79	888.85	967.23	336,566	445,533
"Medina Dam Route" (assumes deviations previously described by SGR)	1,056.18	908.30	983.81	729,778	928,248